



STATE OF WASHINGTON

DEPARTMENT OF COMMUNITY, TRADE AND ECONOMIC DEVELOPMENT

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November 30, 2004

The Honorable Sandra Romero, Chair
House Local Government Committee
Washington State House of Representatives
Mod 1 Building - Room 106
PO Box 40600
Olympia, WA 98504-0600

The Honorable Joyce Mulliken, Chair
Senate Land Use and Planning Committee
Washington State Senate
109A Newhouse Building
PO Box 40413
Olympia, WA 98504-0413

Dear Representative Romero and Senator Mulliken:

Annexation is one of the most complex issues facing Washington counties and cities - dealing with revenue impacts, service delivery and infrastructure investments present challenges to intergovernmental cooperation and to implementation of the Washington State Growth Management Act (GMA). I am pleased to present to the Legislature and to the Governor a study conducted by the Department of Community, Trade and Economic Development (CTED) of the barriers to annexation and some potential solutions, *Annexations Under the Growth Management Act: Barriers and Potential Solutions*.

CTED was charged by the Legislature in a 2004 budget proviso to conduct a study of the barriers to annexation in the six buildable lands counties (King, Pierce, Snohomish, Kitsap, Thurston, and Clark.) The study, with recommendations for potential solutions, is due to the Legislature on December 1, 2004.

The study was directed to detail the progress of each of the six counties to date in achieving annexations or incorporations since adoption of their respective countywide planning policies. It is also to describe the characteristics of urban land remaining in unincorporated urban growth areas (UGAs.) A history of annexations and characterization of the remaining land in the UGAs for each county is provided.

Pursuant to the proviso, the study includes a survey of both the counties and cities to identify those obstacles that, in their experience, slow or prohibit annexation. A survey was sent by email to county and city planning directors in the six counties. CTED encouraged their participation in the survey to ensure CTED considered the full range of issues and possible solutions in its report to the Legislature. All six counties and 52 of the cities and towns (54% of cities and towns in the six counties) responded to the survey. A summary of the survey results is provided.

CTED was also required to survey residents of unincorporated urban growth areas in each of the six counties to identify their attitudes towards annexation or incorporation. CTED conducted focus groups in each of the six counties to survey residents in unincorporated urban growth areas.

Finally, CTED convened an advisory committee with representatives from the six counties and the cities within them, representatives from special districts, other state agencies, and the Municipal Research and Services Center. The committee assisted CTED with approaches to gathering data and provided input on issues and recommendations for potential solutions. Potential solutions, as directed in the budget proviso, address the following:

- Propose possible changes to city and county taxing authority which will serve to aid the transfer of annexation of remaining urban growth areas in a timely manner;
- Identify and discuss the need for funding of capital improvement projects needed to provide urban levels of service;
- Assess the role and statutory authority of the boundary review board and how altering their role and authority might facilitate annexation; and
- Propose possible changes to growth management or annexation processes, which will facilitate annexation.

Thank you for your interest in annexation issues and their importance to implementation of the GMA. Copies of the study may also be viewed on the CTED web site at <http://www.cted.wa.gov/growth/annexationstudy>. Please contact Heather Ballash at (360) 725-2808 or e-mail to heatherb@cted.wa.gov, if you have any questions.

Sincerely,


Juli Wilkerson
Director

Enclosure

cc: House Local Government Committee
Senate Land Use and Planning Committee
Ron Shultz, Office of Financial Management
Members of CTED Annexation Study Advisory Committee